

calculating the amount of disproportionate share indigent care adjustments or if adjustments must be made in order to comply with the federal regulations issued under H.R. 3595.

Expenses associated with payment of hospital assessments are allowable as a Medicaid cost for cost reporting purposes.

Audits of Disproportionate Share Programs

The state shall contract with an independent audit firm to conduct an audit of the state's DSH programs as they apply to general and psychiatric hospitals in accordance with 42 CFR 447.299 and 42 CFR 455.304, for DSH State Plan years beginning 2005. In the event that the independent auditor determines that any hospital has received a DSH payment in excess of their hospital-specific disproportionate share limit, the state shall:

1. Collect from each hospital which has received payment in excess of their hospital-specific DSH limit, the amount of the overpayment.
2. Redistribute the aggregate amount of the overpayment(s) to all hospitals which, according to the independent auditor, still have room under their hospital-specific DSH limit.
3. The amount to be redistributed to each eligible hospital shall be determined by the Statewide Residual Payment Pool policies for the State Plan Year of the audit. The redistribution shall use the independent auditor's revised hospital-specific DSH limits to ensure that no hospital receives a payment that is in excess of their audited hospital-specific DSH limit.

TN: 11-031
Supersedes:
TN: 10-007

Approval Date: **MAY 25 2012**
Effective Date: 10/1/2011

OS Notification

State/Title/Plan Number: Ohio 11-031
Type of Action: SPA Approval
Required Date for State Notification: June 26, 2012
Fiscal Impact: FY 2012 \$0
FY 2013 \$0

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: No

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: No

Reduces Benefits: No

Detail: Effective for services on or after October 1, 2011, this amendment revises disproportionate share hospital (DSH) payment program methodology. Specifically, this amendment adds methodology for redistribution of DSH payments in the event that an independent auditor determines that any hospital has received a DSH payment in excess of their hospital-specific DSH limit. The non-Federal share of DSH payments is funded by provider tax. There are no issues with the UPL.

Other Considerations: This plan amendment drew interest from Senator Sherrod Brown from Ohio. The senator's office is hearing from Ohio constituents about the status and expected approval.

Recovery Act Impact: The Regional office has reviewed this state plan amendment in conjunction with the Recovery Act and, based on the available information provided by the State regarding 1) MOE; 2) local match; 3) prompt pay; 4) rainy day funds, and 5) eligible expenditures, the Regional Office believes that the State is not in violation of the Recovery Act requirements noted above.

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